



DEPARTMENT OF EDUCATION

[Docket No.: ED-2015-ICCD-0072]

Agency Information Collection Activities; Comment Request; Borrower Defenses against Loan Repayment

AGENCY: Federal Student Aid (FSA), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction of 1995 (44 U.S.C. Chapter 3507(j)), ED is requesting the Office of Management and Budget (OMB) to conduct an emergency review of a new information collection.

DATES: An emergency review has been requested in accordance with the Act (44 U.S.C. Chapter 3507 (j)), due to an unanticipated event. Approval by the Office of Management and Budget (OMB) has been requested by **June 4, 2015**.

ADDRESSES: Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at <http://www.regulations.gov> by selecting Docket ID number ED-2015-ICCD-0072 or via postal mail, commercial delivery, or hand delivery. If the regulations.gov site is not available to the public for any reason, ED will temporarily accept comments at ICDocketMgr@ed.gov. *Please note that comments submitted by fax or e-mail and those submitted after the comment period will not be accepted; ED will ONLY accept comments during the comment period in this mailbox when the regulations.gov site is not available.* Written requests for information or comments submitted by postal mail or delivery should be addressed to the Director of the Information Collection Clearance Division, U.S. Department of Education, 400 Maryland Avenue, SW, LBJ, Mailstop L-OM-2-2E319, Room 2E103, Washington, D.C. 20202.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Colleen McGinnis, (202) 377-4330.

SUPPLEMENTARY INFORMATION: The Department of Education (ED), in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format. ED is soliciting comments on the proposed information collection request (ICR) that is described below. The Department of Education is

especially interested in public comment addressing the following issues: (1) Is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Borrower Defenses Against Loan Repayment

OMB Control Number: 1845-NEW

Type of Review: A new information collection.

Respondents / Affected Public: Individuals or Households

Total Estimated Number of Annual Responses: 150,000

Total Estimated Number of Annual Burden Hours: 150,000

Abstract: This is a request for an emergency collection to facilitate the collection of information for borrowers who believe they have cause to invoke the borrower defenses against repayment of a loan as noted in regulation. This collection includes website language that will provide minimum information that requests need to include for consideration as well as a separate specific attestation form. These processes are being offered to aid in preserving borrowers' rights and to meet the fiduciary responsibilities of the federal student loan programs. These collections will allow the Department of Education to inform borrowers and loan servicers of the information needed to review and adjudicate requests for relief under borrower defenses regulations.

Additional Information: Section 455(h) of the Higher Education Act of 1965, as amended (20 U.S.C. 1087e(h)) provides that the U.S. Department of Education (Department) defines by regulation which claims against a school constitute defenses to repayment of a loan under the Federal Direct Loan (Direct Loan) program. Following a negotiated rulemaking process, the Department published amendments to the Direct Loan program regulations on December 1, 1994. These regulations included borrower defenses specified in 34 CFR 685.206(c). The regulation, in part, states "(c)(1) [i]n any proceeding to collect on a Direct Loan, the borrower may assert as a defense against repayment, an act or omission of the school attended by the student that would give rise to a cause of action against the school under applicable State law." Prior to 2015, the borrower defense identified above was rarely asserted by any borrowers and no specific methods of collecting information was defined or found necessary. In the 20 years prior, the Department received 5 claims for borrower defense. Over the last several months, the Department has received over 1000 such claims due to a building debt activism movement as well as the notoriety of Corinthian's collapse, creating a need for a clearer process for potential claimants. This exponential increase in demand was unexpected and outside of the Department's control.

Dated: June 5, 2015.

Stephanie Valentine,

*Acting Director,
Information Collection Clearance Division,
Office of the Chief Privacy Officer,
Office of Management.*

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